



Capacity Market



About Avon Metals

Avon Metals is a multi award-winning, privately-owned UK-based manufacturer of Aluminium Foundry and Master alloy ingots and a physical processor and trader of scrap Aluminium, Copper, Nickel and Cobalt revert alloys and an extensive range of exotic minor metals including Chromium, conflict-free Tantalum & Tungsten, Niobium, Molybdenum, Rhenium, Hafnium, Zirconium, Vanadium, Manganese, Silicon and Magnesium. Originally established over 60 years ago, Avon Metals are widely regarded as an important global trader in both on and off-exchange metals and trade in accordance with internationally recognised specifications laid down by the LME, BMRA, MMTA, BIR and ISRI.



The Capacity Market

The Capacity Market is a Government scheme, developed to ensure security of electricity supply in order to keep the lights on. Last year, an auction was held specifically designed for demand turn down, where consumers who could be flexible with their consumption are paid for their availability to respond to Capacity Market warnings and help the grid when the margins between national supply and demand are very tight. EDF Energy secured volume in the capacity market turn down auction in 2017 and approached Avon Metals in June 2017. Avon have seven electric induction furnaces that are capable of being turned down in response to a Capacity Market warning. The experienced Demand Side Response Technical Team at EDF Energy guided the team at Avon through the testing and qualification process to register their assets. A baseline demand was established, with due consideration given to all the operational site parameters. Training was given to the relevant personnel at Avon on what to do in the event of receiving a Capacity Market warning and since the site went live in October the three satisfactory performance tests have been successfully undertaken.

Results

The capacity market turn down service is now fully operational and is ready to play its part in taking the load off the grid should the call come through. This service has been implemented with minimal impact to the sites operational effectiveness, Avon Metals are now receiving monthly availability payments from EDF Energy for their flexibility. The UK has not yet experienced a Capacity Market stress event and though it is considered to be a rare occurrence the service is there to help the National Grid in their role as the system operator. Participation in capacity market turn down DSR in partnership with EDF Energy is a win - win for Avon Metals operationally and financially.

Why we chose EDF Energy

"Avon Metals started to look at entering the Capacity Market and investigating whether this could be workable in 2016. The following year, this foundation work turned into reality when we partnered with EDF Energy's Demand Side Response Team. Being a member of an aggregator such as EDF allows for much of the management of the Demand Calls to be managed by their team. In addition, participation in EDF's aggregation means the risk of fines for not meeting the individual contracted turn down is shared. However, the most important factor for choosing EDF Energy was the help and ongoing assistance given by their team to ensure that Avon was able to meet its obligations."

Richard McAlister-Martin

Technical and Compliance Director - Avon Metals and Avon Specialty Metals